

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
SOUTH LOGAN WATER ASSOCIATION)	CASE NO. 94-239

O R D E R

On June 14, 1994, South Logan Water Association ("South Logan") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. South Logan purchases water from two suppliers, the city of Adairville ("Adairville") and the city of Russellville ("Russellville").

2. Effective July 1, 1991, Russellville increased its rates for wholesale water from \$1.53 per 1,000 gallons to \$2.35 per 1,000 gallons. Effective July 1, 1994, Adairville will increase its rates for wholesale water from \$1.20 per 1,000 gallons to \$1.38 per 1,000 gallons.

3. South Logan proposed to increase the rates to its customers effective July 1, 1994.

4. During the 12 months ending December 31, 1993, South Logan purchased 130,639,700 gallons of water from Adairville and

5,209,300 gallons of water from Russellville for total purchases of 135,849,000 gallons of water. During that same period of time, South Logan sold 114,313,700 gallons of water.

5. South Logan's calculations are correct and show an increase in purchased water cost of \$27,786 resulting in a purchased water adjustment of 24 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to South Logan customers will increase \$1.20 from \$22.50 to \$23.70, an increase of 5.34 percent.

6. The purchased water adjustment of 24 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

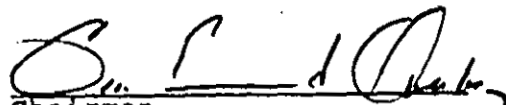
1. The purchased water adjustment of 24 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after July 1, 1994.

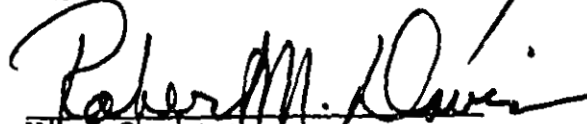
2. South Logan's proposed tariff is approved.

3. Within 30 days of the date of this Order, South Logan shall file verification that the notice to its customers has been given.

Done at Frankfort, Kentucky, this 8th day of July, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 94-239 DATED JULY 8, 1994

The following rates and charges are prescribed for the customers in the area served by South Logan Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

MONTHLY RATES:

5/8 Inch Meter

First	2,000 gallons	\$ 10.48 (Minimum Bill)
Next	2,000 gallons	4.74 per 1,000 gallons
Next	2,000 gallons	3.74 per 1,000 gallons
Next	4,000 gallons	2.74 per 1,000 gallons
All Over	10,000 gallons	2.24 per 1,000 gallons

3/4 Inch Meter

First	3,000 gallons	\$ 15.22 (Minimum Bill)
Next	1,000 gallons	4.74 per 1,000 gallons
Next	2,000 gallons	3.74 per 1,000 gallons
Next	4,000 gallons	2.74 per 1,000 gallons
All Over	10,000 gallons	2.24 per 1,000 gallons

1 Inch Meter

First	5,000 gallons	\$ 23.70 (Minimum Bill)
Next	1,000 gallons	3.74 per 1,000 gallons
Next	4,000 gallons	2.74 per 1,000 gallons
All Over	10,000 gallons	2.24 per 1,000 gallons

1-1/2 Inch Meter

First	25,000 gallons	\$ 72.00 (Minimum Bill)
All Over	25,000 gallons	2.24 per 1,000 gallons

2 Inch Meter

First	50,000 gallons	\$ 128.00 (Minimum Bill)
All Over	50,000 gallons	2.24 per 1,000 gallons